



Strathprints Institutional Repository

Lockyer, Cliff (2010) *Overview of the labour market [November 2010]*. Fraser of Allander Economic Commentary, 34 (2). pp. 41-48. ISSN 2046-5378

Strathprints is designed to allow users to access the research output of the University of Strathclyde. Copyright © and Moral Rights for the papers on this site are retained by the individual authors and/or other copyright owners. You may not engage in further distribution of the material for any profitmaking activities or any commercial gain. You may freely distribute both the url (<http://strathprints.strath.ac.uk/>) and the content of this paper for research or study, educational, or not-for-profit purposes without prior permission or charge.

Any correspondence concerning this service should be sent to Strathprints administrator: <mailto:strathprints@strath.ac.uk>

Overview of the labour market

Current interest in the Scottish labour market continues to focus on the trends and patterns in the unemployment figures and emerging differences between UK and Scottish figures and the reasons for such divergence, a theme developed in other sections of this edition. Interest in development in public sector employment inevitably remains a central concern given the publication, in September, of the Comprehensive Spending Review of public spending for the next four years and has led to further announcements of planned cuts by public sector organisations and the likely trends in public sector employment in Scotland. Public interest again focuses on public sector pay and we return to this again in this overview.

Recent trends and statistics

Comparable figures on the labour market¹ between Scotland and the United Kingdom in the quarter June - August 2010 are summarised in Table 1. Labour Force Survey (LFS) data show that in the quarter to August 2010 the level of employment in Scotland rose by 10 thousand, to 2,452 thousand. Over the year to August 2010, employment in Scotland fell by 53 thousand. For the same period, UK employment rose by 178 thousand. The Scottish employment rate – those in employment as a percentage of the working age population – was 70.3 per cent, down -1.6 per cent compared to one year earlier. For the same period the UK employment rate was 70.7 per cent, up 0.2 per cent compared to one year earlier.

In considering employment, activity and unemployment rates it is important to remember the bases and relationships of these figures. LFS data is provided for: (1) all aged 16 and over and (2) for all aged 59/64. The first measure (all aged 16 and over) leads to higher numbers in employment, in the total economically active and economically inactive – but reduces the economic activity rates and unemployment rates, but at the same time increases the economically inactive rate. Conversely the second measure (all aged 16 to 59/64) leads to lower numbers economically active, in employment and economically inactive – but leads to a higher economically active, employment and unemployment rates but lower economically inactive rates. Figures derived from the Labour Force Survey differ slightly from those derived from the Annual Population Survey.

The relationships between employment, unemployment, totally economically active and inactive are important in appreciating changing levels of employment and unemployment, and changes in the employment rates should be seen in conjunction with changes in the activity rates. If people leave employment and become

unemployed (but are still economically active) the unemployment rate increases, but the economically active rate remains unchanged. However, if people leave employment and do not seek employment, as seems to be an emerging pattern, they are categorised as economically inactive, as such the unemployment rate remains unchanged whilst the activity and inactivity rates change. This is clearly shown in table 1. Over the year to August 2010, the numbers employed fell by 53 thousand, but unemployment only rose by 37 thousand – however, the numbers of those aged 16-59/64 who are economically inactive rose by 20 thousand and the numbers economically active fell by 16 thousand.

Table 1 shows that for Scotland the preferred International Labour Organisation (ILO) measure of unemployment rose significantly to 231 thousand, between June - August 2010, or by 37 thousand over the year². The ILO unemployment rate rose in the three months to August 2010 and now stands at 8.6 per cent. This represents a 0.4 per cent rise over the last quarter and a 1.4 per cent rise relative to the same period a year earlier. The comparable ILO unemployment rate for the UK stands at 7.7 per cent, and is down 0.1 per cent over the most recent quarter and down 0.1 per cent over the year.

The economically active workforce includes those individuals actively seeking employment and those currently in employment (i.e. self-employed, government employed, unpaid family workers and those on training programmes). Table 1 shows that the level of the economically active rose by 1.1 per cent between June - August 2010. There were 2,683 thousand economically active people in Scotland during June - August 2010. This comprised 2,452 thousand in employment and 231 thousand ILO unemployed. The level for those of working age but economically inactive fell in the last quarter, down 0.5 per cent on the previous quarter to 779 thousand people; this indicates an increase of 0.5 per cent in the number of people of working age economically inactive over the last year.

Data on employment by age, derived from the Annual Population Survey, is available up to December 2009. In 2009 employment rates fell for all age groups – except those aged over 65, with the employment rate for those aged 16 – 64 falling by 1.6 percentage points and with the largest percentage point falls being recorded for those aged 16 – 17 and 18 – 24., employment rates for men fell more than those for women.

In the year to December 2009 (the latest available data) inactivity rose by 7.2% (to 52,000) for men aged 18-24 but fell by 3.4% (to 25,000) for men aged 25 – 34. The comparable figures for women were -1.8% (69,000) and -0.6% (66,000).

The most recent (seasonally adjusted) figure for Jobseekers allowance claimants in Scotland stood at 134.5 thousand in September 2010, up 1.9 thousand or 01.4% over the year.

Table 1: Headline indicators of Scottish and UK labour market, June - August 2010

June - August 2010		Scotland	Change on quarter	Change on year	United Kingdom	Change on quarter	Change on year
Employment*	Level (000s)	2,452	10	-53	29,158	178	241
	Rate (%)	70.3	0.2	-1.6	70.7	0.2	0.0
Unemployment**	Level (000s)	231	13	37	2,448	-20	-23
	Rate (%)	8.6	0.4	1.4	7.7	-0.1	-0.1
Activity*	Level (000s)	2,683	23	-16	31,607	158	217
	Rate (%)	77.1	0.5	-0.5	76.8	0.2	-0.1
Inactivity***	Level (000s)	779	-18	20	9,280	-66	73
	Rate (%)	22.9	-0.5	0.5	23.2	-0.2	0.1

Source: Labour Market Statistics (First Release), Scotland and UK, October 2010

* Levels are for those aged 16+, while rates are for those of working age (16-59/64)

** Levels and rates are for those aged 16+, rates are proportion of economically active.

*** Levels and rates for those of working age (16-59/64)

The claimant count rate at September 2010 stood at 4.8 per cent. This is down 1 per cent over the year (note these figures are taken from table 7 October 2010 figures and measures the number of claimants on the second Thursday of each month). Unemployment data at the Scottish constituency level for September 2010 is available in a SPICe Briefing, with the next update available 17th November 2010.

Statistics from the Annual Population Survey (2009) provide some indications of the impact of the recession at local area levels, by occupation and by sector (the APS combines results from the Labour Force Survey and the Scottish Labour Force Survey boosts. Thus these figures differ slightly from those produce from the Labour Force Survey and the Annual Business Inquiry and from those published in Labour Market Statistics (First Release), Scotland and UK, October 2010). Table 2 indicates significant differences in employment, unemployment and inactivity rates before the onset of the recession, however, between 2008 and 2009 the gap between the areas with the highest and lowest employment rates widened by 5.8 percentage points. In January – September 2009 the increase in unemployment rates ranged from 0.5 percentage points to over 3 percentage points in six local authority areas. Inactivity rates varied considerably with some councils reporting increases, whereas others noted decreases.

The most recent figures for the number of workforce jobs by industrial activity are detailed in Table 3. Total workforce job figures are a measure of jobs rather than people. Total seasonally adjusted employee jobs for the quarter ending

June 2010 (the latest available figures) stood at 2,539.3 thousand, up 21 thousand on the quarter but down some 5 thousand over the year. Table 3 provides some indication of the impact of the recession on sectors, with the numbers of total workforce jobs declining significantly in manufacturing, construction, wholesale/retail and financial services.

Table 4 provides some limited indications of the experience of unemployment in terms of claimant count by age and duration. The latest figures suggest that 21,100 have been claiming benefit for more than a year, up 400 over the year (up 0.3% on the year), 21,000 have now been claiming benefit over 12 months (up 54.4% over the year).

Data from the Annual Population Survey provides some indications of youth unemployment, in 2009 it is 'estimated that there were 36,000 young people aged 16 to 19 not in education, employment or training (NEET), representing 13.8% of all 16 to 19 year olds' (Local Labour Markets in Scotland 2010:40). This figure has increased by 5000 between 2008 and 2009 and if this trend increases it poses more strongly issues of social inclusion and raises significant questions for policy makers.

Public sector employment in Scotland

The increasing recognition of the likelihood of widespread job losses in the public sector prompts a consideration of the trends in public sector employment. As we noted in our last Commentary there has been much evidence to suggest that most Scottish public sector organisations have been planning considerable budget reductions in recent months, given that staff costs account for around 52% or £18.8

Table 2: Employment, unemployment and inactivity rates by Local Authority Area 2007 – 2009

Geography (Residence Based)	Employment rates			Unemployment rates 16+*			Economic inactivity rates		
	2007	2008	2009	2007	2008	2009	2007	2008	2009
Scotland	76.0%	75.6%	73.9%	4.7%	4.9%	7.0%	20.1%	20.3%	20.4%
Local Authority Area									
Aberdeen City	79.1%	79.4%	80.0%	3.7%	3.6%	4.1%	17.3%	17.6%	17.6%
Aberdeenshire	82.6%	82.2%	82.5%	2.5%	2.6%	2.9%	15.6%	15.5%	15.2%
Angus	79.1%	80.0%	77.0%	4.5%	4.6%	5.5%	16.2%	15.6%	18.1%
Argyll & Bute	80.0%	77.6%	75.5%	4.0%	4.3%	5.6%	16.3%	18.4%	19.2%
Clackmannanshire	69.4%	70.9%	72.3%	5.5%	5.4%	8.4%	25.3%	25.4%	22.3%
Dumfries and Galloway	77.4%	76.2%	77.3%	4.2%	4.5%	5.5%	19.1%	19.5%	18.1%
Dundee City	72.1%	71.5%	71.0%	6.6%	6.3%	8.9%	22.4%	23.9%	22.8%
East Ayrshire	73.1%	74.6%	69.8%	6.3%	6.1%	9.8%	21.5%	20.4%	21.4%
East Dunbartonshire	78.9%	77.6%	77.3%	3.1%	3.9%	6.0%	19.0%	18.7%	17.4%
East Lothian	79.2%	77.9%	76.6%	3.5%	3.5%	5.4%	18.0%	19.4%	19.7%
East Renfrewshire	77.2%	76.5%	74.5%	3.4%	3.6%	5.6%	19.1%	20.5%	20.9%
Edinburgh, City of	77.4%	76.6%	73.8%	4.3%	4.5%	6.2%	19.5%	19.8%	20.9%
Eilean Siar	79.4%	78.7%	73.2%	4.2%	4.6%	6.2%	17.7%	16.3%	18.8%
Falkirk	78.1%	78.9%	75.0%	4.6%	4.4%	7.3%	18.5%	18.3%	19.5%
Fife	75.9%	76.5%	73.0%	5.6%	5.8%	8.0%	18.8%	17.7%	19.3%
Glasgow City	66.9%	66.6%	63.3%	6.8%	6.9%	10.3%	28.2%	28.8%	29.3%
Highland	82.0%	81.7%	84.3%	3.2%	3.5%	4.3%	16.0%	16.3%	13.3%
Inverclyde	68.4%	72.5%	68.5%	7.1%	6.4%	9.4%	24.8%	23.0%	23.9%
Midlothian	80.7%	79.9%	77.2%	4.2%	4.2%	6.5%	15.1%	16.2%	15.1%
Moray	80.4%	81.8%	80.5%	3.5%	3.8%	4.6%	17.2%	15.0%	15.0%
North Ayrshire	71.5%	71.8%	67.0%	6.4%	7.4%	10.6%	23.5%	22.0%	24.1%
North Lanarkshire	73.2%	71.0%	74.5%	5.4%	5.9%	8.6%	22.6%	23.8%	18.7%
Orkney Islands	86.4%	83.9%	89.0%	2.7%	2.9%	2.4%	11.2%	14.2%	*
Perth and Kinross	78.1%	78.7%	78.0%	3.5%	3.7%	4.2%	18.8%	17.9%	18.6%
Renfrewshire	75.0%	76.0%	73.6%	5.1%	5.5%	7.8%	20.9%	18.9%	19.8%
Scottish Borders	81.4%	80.6%	77.3%	3.1%	3.6%	5.1%	16.2%	15.8%	16.4%
Shetland Islands	88.1%	88.0%	86.5%	2.6%	2.8%	2.8%	10.4%	10.8%	*
South Ayrshire	77.2%	75.4%	73.0%	5.0%	5.4%	7.6%	18.9%	20.5%	20.3%
South Lanarkshire	78.9%	76.7%	73.8%	4.2%	4.4%	7.4%	18.5%	20.6%	20.6%
Stirling	76.8%	75.2%	74.3%	3.9%	4.5%	7.0%	19.2%	20.2%	18.8%
West Dunbartonshire	73.9%	71.2%	68.9%	6.3%	6.9%	9.7%	20.8%	23.3%	24.3%
West Lothian	77.8%	79.1%	74.8%	4.8%	4.6%	7.3%	17.7%	17.4%	20.1%

Source: Annual Population Survey (Jan to Dec)

Notes:

* data for Jan – Sept 2009 only

Employment levels cover those aged 16 and over. Employment rates cover working age (men aged 16-64 and women aged 16-59).

1. Levels rounded to the nearest hundred.
2. Proportions are calculated on unrounded figures.
3. Totals may not equal the sum of individual parts due to rounding.
4. Note these figures differ from those published in Labour Market Statistics (First Release), Scotland and UK, October 2010

Table 3: Total workforce jobs* by industry, Scotland, June 2010

Industry	June 2005	June 2006	June 2007	June 2008	June 2009	June 2010
A : Agriculture, forestry and fishing	51,200	54,400	60,100	60,000	51,300	61,700
B : Mining and quarrying	24,500	27,900	30,000	30,300	27,700	28,900
C : Manufacturing	233,000	225,500	227,800	211,800	202,300	178,800
D : Electricity, gas, steam and air conditioning supply	10,000	9,500	12,500	12,300	10,800	12,900
E : Water supply; sewerage, waste management etc	15,600	17,500	17,100	18,700	22,200	15,000
F : Construction	181,000	193,700	202,600	198,800	166,000	176,400
G : Wholesale & retail trade; repair of motor vehicles etc	382,100	383,700	379,800	395,900	389,700	354,300
H : Transportation and storage	125,000	117,800	122,900	122,600	105,600	138,300
I : Accommodation and food service activities	188,700	189,800	188,100	190,900	164,700	194,800
J : Information and communication	72,400	72,600	79,300	68,800	72,900	76,900
K : Financial and insurance activities	114,300	107,300	91,300	98,000	92,300	86,400
L : Real estate activities	25,400	29,400	30,000	32,100	34,100	22,100
M : Professional, scientific and technical activities	145,200	154,000	161,000	175,600	174,400	154,100
N : Administrative and support service activities	174,200	179,900	191,600	199,500	184,200	187,300
O : Public administration & defence; social security	180,400	177,000	181,400	176,900	129,100	129,000
P : Education	198,600	199,900	192,200	207,600	219,800	209,500
Q : Human health and social work activities	384,100	399,400	383,300	397,600	386,800	369,900
R : Arts, entertainment and recreation	75,100	80,600	75,400	84,400	64,200	76,300
S : Other service activities	62,900	65,200	63,300	58,400	47,700	66,700
Column Total	2,643,500	2,685,100	2,689,700	2,740,100	2,545,900	2,539,300

Source: Labour Market Statistics (First Release), Scotland, June 2010

* Workforce jobs are a measure of jobs rather than people

Table 4: Total claimant count and computerised claims by age and duration (Numbers and percentage change over year to September 2010)

	All claims	All computerised claims Up to 6 months	All computerised claims Over 6 and up to 12 months	All computerised claims All over 12 months
All 16+ numbers	130,000	83,800	24,700	21,100
All 16+ % change over year	0.3	-5.2	-8.2	54.4
All 18 – 24 over year	37,100	29,900	5,300	1,900
All 25- 49 over year	71,700	42,000	15,200	20,100
All 50 and above over year	19,500	10,800	4,000	4,800

billion of Scottish public spending (Audit Scotland). Audit Scotland noted 'the Scottish public sector is facing the biggest squeeze on budgets since devolution' (2009:8).

Since the last Commentary there have been further announcements as to planned cuts across the public sector as well as proposals for re organisation (merging services

across authorities and services, and the merger of all or a number of police services). However, to date these cuts have still to work though to actual reductions in public sector employment.

Public sector employment has declined by 1.3% or 8,100 in the year q2 2009 – q2 2010. In the same period devolved

Table 5: Total public sector employment in Scotland (headcount) quarter 2 2010

Broad category	Area	Q1 2010	Q2 2010
Civil Service	Scottish Govt Depts.	5700	5700
	Crown Office	1900	1800
	Scottish Govt Agencies	8300	6800
	Non ministerial Depts.	1800	3400
Total Civil Service		17600	
Local Government	Teachers	62700	61100
	Other education	51600	51000
	Social work	54700	54000
	Police & Related services	24900	24800
	Fire & related services	5800	5700
	Other	104700	105200
Total Local Government		304300	301900
NHS		163000	162200
Public Corporations		4600	4600
Other public bodies		16100	15400
Total devolved sector		506000	
Armed forces		12100	
Civil Service	Min of Defence	5900	5900
	HM Revenue & Customs	10000	9800
	DWP	12200	12000
	Dept for International Dev.	500	500
	Scotland Office	70	70
	Other Civil service	3900	3900
Civil service		32600	32100
Public corporations		17600	17400
Public bodies		5800	5900
Public sector financial		36300	36700
Total reserved sector		104300	104300
Total Scottish employment		610,200	606400

Source: Quarterly Public Sector Employment series, Scottish Government.

Note: figures may not total due to rounding.

Table 6: Local Government employment by local authority (headcount) Q1 and Q2 2010 (Not seasonally adjusted)

Local Authority / Joint Board	Q1 2010 Total All Staff	Q2 2010 Total All Staff
Aberdeen City	9,500	9,400
Aberdeenshire	15,000	14,900
Angus	5,700	5,600
Argyll & Bute	5,300	5,200
Clackmannanshire	2,800	2,800
Dumfries & Galloway	8,300	8,300
Dundee City	8,200	8,100
East Ayrshire	6,700	6,600
East Dunbartonshire	5,000	5,000
East Lothian	4,900	4,800
East Renfrewshire	4,700	4,500
Edinburgh, City of	19,100	18,800
Eilean Siar	2,600	2,500
Falkirk	8,000	7,800
Fife	23,200	23,100
Glasgow City	23,500	23,100
Highland	12,900	13,000
Inverclyde	4,700	4,700
Midlothian	4,800	4,800
Moray	5,100	5,100
North Ayrshire	7,200	7,200
North Lanarkshire	17,700	17,500
Orkney Islands	2,800	2,400
Perth & Kinross	6,200	6,100
Renfrewshire	8,600	8,400
Scottish Borders	5,700	5,700
Shetland Islands	4,100	4,100
South Ayrshire	5,500	5,600
South Lanarkshire	15,500	15,800
Stirling	4,500	4,400
West Dunbartonshire	6,700	6,300
West Lothian	8,500	8,500
Total Bridge Joint Boards	100	100
Total Fire Joint Boards	5,800	5,700
Total Police Joint Boards	24,900	24,800
Total Valuation Joint Boards	600	600
Total Regional Transport (SPT)		700
SCOTLAND	304,300	301,900

Source: Joint Staffing Watch Survey, Scottish Government

Notes:

1. Figures are rounded to nearest hundred.
2. Totals may not add to the sum of the parts due to rounding.
3. Figures for Fire Service staff exclude volunteer and retained fire-fighters.
4. Police and Fire Service staffs in Dumfries and Galloway and Fife, who are not covered by Joint Boards, are included within the figures for Joint Boards for consistency.

public sector employment has decreased by 3,200 to 502,200 and employment in the reserved public sector has decreased by 5,000, or 4.6%. The largest decrease occurring in public sector financial institutions, down 2,800 to 36,700.

Table 5 indicates the headcount changes in public sector employment over the first two quarters of 2010, and table 6 the changes in headcount by local authority headcount.

Table 5, drawing on the latest available data, Q2 2010, indicates 569,000 (23.2% of the headcount numbers employed in Scotland) employed in the Scottish public sector (excluding those employed by RBS and Lloyds who have been reclassified as UK wide public corporations), and table 6 outlines headcount employment at the local authority level.

We noted in the last Overview evidence from the Pay Review Body on Senior Salaries, that in the UK over 25,000 people working in the public sector earn more than £100,000 and that data from Incomes Data Services (2009) suggested the distribution of total earnings of lead executives in selected National/Regional public bodies ranged from £72,000 to £262,500 with a median of £157,000. The comparable figures for non ministerial government departments indicated a range from £82,500 to £272,500 with a median of £187,500; and for public corporations a range from £130,000 to £679,800 with a median of £314,800. The focus on public sector pay was heightened by BBC research which suggested that slightly over 3,400 public sector staff in Scotland earned over £100,000 (and slightly more than 60 earned over £200,000). Inevitably comment tended to focus on what were seen as excessively higher rates of public sector pay. Whilst the rate of earnings and the sector distribution of these (health 2591, higher education 416 and Scottish government 229) are interesting, they do not answer more important questions, namely:

What has been the relative escalation of these pay rates in recent years and to what extent are they dependent on performance criteria? If these changes are fairly recent what mechanisms used to exist to prevent such a rapid escalation?

How do these rates compare with other European countries? Is the rate and level broadly the same across other countries, or are certain occupations and sectors better or lower paid in Scotland compared to other EU countries?

How do these rates compare to the private sector?

Recent work by Incomes Data Services (August 2010), reviewing pay and earnings for CEOs in companies listed on the Alternative Investment Market, enables some comparisons to be made between the rates for senior public and private sector earnings. The average CEO salary in AIM

listed companies now exceeds £200,000 per annum, which with the addition of bonuses and other incentives lifts total earnings to £288,917. This would suggest that at the higher levels public sector pay is not excessively high. Data from Income Data Services Review of Senior executive pay (November 2010) covering earnings of UK's 100 largest companies suggests CEO pay is now on average 88 times the pay of typical full-time workers, ten years ago the average pay was 47 times the average wage (in 2008 CEOs earned 94 times the average wage).

Outlook

In the year to August 2010 total employment fell by 53,000 and unemployment rose by 37,000 to 231,000 and the numbers economically inactive rose by 20,000. The pattern of employment continues to change with rising numbers of part time (up 19,000 in the year to December 2009), temporary employees (up 16,000 over the same period) and workers with a second job (up 3,000 over the same period) and declining numbers of full-time workers (down 58,000 in the year to December 2009). Over the same period the numbers of part time workers who could not find a full time job rose by 20,000 (30.4%).

As we noted in the last Commentary, unemployment in 1980 totalled 202,000 (with an ILO unemployment rate of 7%). Unemployment rose through the 1980s to 351,000 in 1986 and the unemployment rate (ILO definition) peaked at 13.7% in 1986. By 1988 unemployment fell below 300,000, reaching 212,000 in 1997 but only fell below 200,000 in 1998. Between 1998 and 2008 unemployment fell by 72,000 to 113,000 (an ILO rate of 4.2%). Since April 2008 unemployment has more than doubled to 231,000 and the unemployment rate has increased to 8.6%.

Data from the latest Annual Population Survey shows the variation in employment rates across Scotland in the period 2004 – 2009. Employment rates in the most deprived areas have been consistently lower than the national figures, and since 2008 the difference has increased (table 7). In 2004 the employment rate in the 15% most deprived areas was 19.8 percentage points lower than the Scottish figure, in 2008 15.4 percentage points and in 2009 16.4 percentage points.

Table 8 illustrates the figures for unemployment, again illustrating the long term trends in deprivation with areas with consistently higher levels of unemployment; again these show the differing effects of the recession. In 2008 unemployment in the 15 most deprived areas was 5.1 percentage points by 2009 this had risen to 8.2 percentage points.

Table 9 illustrates the comparable figures for inactivity, again illustrating differences in levels of inactivity between the 15% most deprived areas and the Scottish averages.

It is difficult to see why these trends will not worsen as public sector cuts take effect. It will be harder to sustain

Table 7: Employment rates and levels by deprivation 2007-2009

Employment	2007		2008		2009	
	proportion	level	proportion	level	proportion	level
Scotland	76.0%	2,524,000	75.6%	2,529,900	73.9%	2,490,400
15% most deprived	59.2%	265,400	60.2%	280,600	57.5%	271,500
Rest of Scotland	78.8%	2,232,100	78.2%	2,248,700	76.6%	2,218,900

Table 8: Unemployment rates and levels by deprivation 2007-2009

Unemployment	2007		2008		2009	
	proportion	level	proportion	level	proportion	level
Scotland	4.7%	125,100	4.9%	130,400	7.0%	186,800
15% most deprived	11.3%	35,000	10.0%	31,100	15.2%	48,800
Rest of Scotland	3.9%	90,100	4.2%	99,300	5.9%	138,000

Table 9: Inactivity rates and levels by deprivation 2007-2009

Inactivity	2007		2008		2009	
	proportion	level	proportion	level	proportion	level
Scotland	20.1	644,399	20.3	653,800	20.4	656,100
15% most deprived	33.1	149,700	33.0	149,700	32.0	146,200
Rest of Scotland	18.0	494,600	18.3	504,100	18.4	509,900

policies of social inclusion over the next few years; policies to reduce those on benefits and to encourage a return to work are dependent on work being available.

References

Incomes Data Services (2009) IDS Compensation Review 346
 Incomes Data Services (2010) Executive Compensation Review 354.
 Incomes Data Services (2010) Executive Compensation Review November issue
 Review Body on Senior Salaries (2010). Initial report on Public Sector Senior Remuneration 2010. Report no 74. Cm 7848.

Cliff Lockyer
 November 2010

Endnotes:

1The Census 2001-consistent population figures at local authority level were released in February 2003. This has allowed the production of interim regional LFS estimates. The population data only cover the periods up to mid-2001. The data presented here are taken mainly from Labour Market Statistics, May 2008 and are consistent with the updated LFS data available on NOMIS from summer 2004. Labour Market Statistics continue to report data for Scotland at the quarterly level, so this will continue to form the basis of our analysis of movements in the labour market between quarters.

2The Labour Force Survey definition of ILO unemployment takes precedence over the claimant count measure. ILO unemployment is much less sensitive to changes in the regulations governing unemployment benefit, and conforms to a widely accepted standard to allow for more meaningful cross-country comparisons.

